

SSB 6560 - S AMD 143

By Senator Rockefeller

ADOPTED 02/19/2008

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that public utility
4 districts provide customer-owned, nonprofit utility services throughout
5 Washington state. The legislature further finds that statutory bid
6 limits for public utility districts have not been increased to address
7 inflation and dramatic cost increases in construction materials. The
8 legislature further finds that existing bid limits and high
9 construction material costs often preclude public utility districts
10 from maintaining and repairing their utility infrastructure, providing
11 training and experience to utility workers, and accommodating high
12 contract administrative costs. The legislature further finds that
13 existing bid limits result in increased costs to both public utility
14 districts and utility customers. Therefore, it is the intent of the
15 legislature to amend the bid limits for public utility districts to
16 address inflation and increased material costs.

17 **Sec. 2.** RCW 54.04.070 and 2002 c 72 s 2 are each amended to read
18 as follows:

19 (1) Any item, or items of the same kind of materials, equipment, or
20 supplies purchased, the estimated cost of which is in excess of ~~((ten))~~
21 fifteen thousand dollars, exclusive of sales tax, shall be by
22 contract(~~(:—PROVIDED, That)~~). However, a district may make purchases
23 of the same kind of items of materials, equipment, and supplies not
24 exceeding ~~((five))~~ seven thousand five hundred dollars in any calendar
25 month without a contract, purchasing any excess thereof over ~~((five))~~
26 seven thousand five hundred dollars by contract.

27 (2) Any work ordered by a district commission, the estimated cost
28 of which is in excess of ~~((ten))~~ twenty-five thousand dollars,
29 exclusive of sales tax, shall be by contract(~~(, —except that)~~).

1 However, a district commission may have its own regularly employed
2 personnel perform work which is an accepted industry practice under
3 prudent utility management without a contract. For purposes of this
4 section, "prudent utility management" means performing work with
5 regularly employed personnel utilizing material of a worth not
6 exceeding one hundred fifty thousand dollars in value without a
7 contract(~~(:—PROVIDED, That such)~~). This limit on the value of
8 material being utilized in work being performed by regularly employed
9 personnel shall not include the value of individual items of equipment
10 purchased or acquired and used as one unit of a project.

11 (3) Before awarding (~~(such)~~) a contract required under subsection
12 (1) or (2) of this section, the commission shall publish a notice once
13 or more in a newspaper of general circulation in the district at least
14 thirteen days before the last date upon which bids will be received,
15 inviting sealed proposals for the work or materials(~~(+)~~). Plans and
16 specifications (~~(of which)~~) for the work or materials shall at the time
17 of (~~(the)~~) publication be on file at the office of the district and
18 subject to public inspection. Any published notice ordering work to be
19 performed for the district shall be mailed at the time of publication
20 to any established trade association which files a written request with
21 the district to receive such notices. The commission may, at the same
22 time and as part of the same notice, invite tenders for the work or
23 materials upon plans and specifications to be submitted by the bidders.

24 (~~(All contract projects equal to or in excess of one hundred~~
25 ~~thousand dollars shall be let by)~~) (4) As an alternative to the
26 competitive bidding (~~(unless the public utility)~~) requirements of this
27 section and RCW 54.04.080, a district may let(~~(s)~~) contracts using the
28 small works roster process under RCW 39.04.155.

29 (5) Whenever equipment or materials required by a district are held
30 by a governmental agency and are available for sale but such agency is
31 unwilling to submit a proposal, the commission may ascertain the price
32 of such items and file a statement of such price supported by the sworn
33 affidavit of one member of the commission, and may consider such price
34 as a bid without a deposit or bond.

35 (6) Pursuant to RCW 39.04.280, the commission may waive the
36 competitive bidding requirements of this section (~~(pursuant to RCW~~
37 ~~39.04.280)~~) and RCW 54.04.080 if an exemption contained within (~~(that~~
38 ~~section)~~) RCW 39.04.280 applies to the purchase or public work.

